

# Legislative Update



THE LATEST LEGISLATIVE ISSUES AFFECTING PARKS, RECREATION and CONSERVATION

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**TO: IAPD Members**

**FROM: Peter Murphy, JD, CAE, IAPD President and CEO  
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**SUBJECT: New Permanent Property Tax Freeze Proposed**

Yesterday, the General Assembly concluded its Fall Veto Session. Although no legislative action was taken with regard to the ongoing state budget impasse, Legislative Leaders and the Governor continue to meet.

In a video message released yesterday, Governor Rauner stated that he will not agree to further temporary "stop gap" spending measures unless the General Assembly approves a **permanent** property tax freeze and legislative term limits. Although the Governor has consistently insisted upon a property tax freeze as part of any comprehensive budget, previous "stop gap" budgets were not conditioned on any Turnaround Agenda items.

[HB 6630 \(Batinick, M.\)](#) contains the Governor's latest permanent property tax freeze proposal. The legislation would expand PTELL to all counties statewide and would permanently freeze property taxes for taxing bodies by eliminating the CPI increase and setting the extension limitation at 0% unless an increase is approved by referendum. The bill would also freeze the debt service extension base.

Unlike the Governor's previous tax freeze proposals, [HB 6630 \(Batinick, M.\)](#) does not include language that would make prevailing wage inapplicable to local government public works projects or language allowing local governments to opt out of collective bargaining with public employee unions on certain matters. These provisions were previously rejected by the House in numerous votes on a permanent property tax freeze throughout the 99<sup>th</sup> General Assembly.

Without the prevailing wage and collective bargaining provisions, [HB 6630](#) is nearly identical to [HB 696 \(Franks, J. / Cullerton, J.\)](#), which the House approved in April, except that [HB 6630](#) would apply beginning with the 2016 tax levy year to all taxing bodies, including home rule units ([HB 696](#) applied only to non-home rule units and began with the 2015 tax levy).

**The Governor's latest proposal would permanently freeze the dollar amount of your agency's property tax extension.** For agencies that are currently in tax capped counties, the annual CPI adjustment would be permanently frozen at zero. Agencies that are not currently in tax capped counties would be automatically subject to this same tax cap, meaning the dollar amount of their property tax extension would also be frozen. The only mechanism for adjusting the extension limitation or the debt service extension base would be by referendum and then only for the year(s) specified on the ballot.

Given the limited time remaining in the 99<sup>th</sup> General Assembly, [HB 6630](#) is unlikely to be the actual bill by which a local property tax freeze will be proposed. However, these latest developments confirm that a property tax freeze continues to be a major part of budget negotiations. Governor Rauner has consistently highlighted this item as one of his top two "reform" priorities. The House has already passed a version of a permanent property tax freeze, and the Senate previously passed a two-year tax freeze ([SB 318](#) was later amended to remove the tax freeze provisions.)

**It is imperative that you continue to make sure your legislators understand the total impact of imposing this State mandate on your agency and that it would tie the hands of your locally elected park boards. The specific impact on the agency's ability to provide programs, services and jobs to your local community should be the central part of your advocacy.**

### **Governor's Veto of Prevailing Wage Bill Stands**

This week, the House failed to override the Governor's amendatory veto of [SB 2964 \(Harmon, D. / Hoffman, J.\)](#), meaning the bill is now dead. As we previously reported, the measure would have amended the Prevailing Wage Act to require that the prevailing wage be not less than the prevailing rate for similar work performed under collective bargaining agreements in the locality if the agreements cover at least 30% of the workers. The legislation would also have eliminated some of the administrative requirements currently mandated for public bodies such as the annual newspaper publication notice of prevailing wage rate determinations.

### **New Overtime Rule Temporarily Blocked, Uncertainty Remains**

We want to update you on the status of the U.S. Department of Labor's (DOL) new federal overtime rule for executive, administrative and professional employees that was scheduled to raise the salary threshold for eligibility for exempt status from \$455/week to \$913/week (\$47,476 per year) effective December 1, 2016.

As has been widely reported, last week a federal district judge in Texas granted an emergency injunction temporarily blocking the new rule. While only 21 states were part of the lawsuit, the preliminary injunction is effective nationwide.

Although the new overtime rule will not take effect this week as planned, the ultimate fate is uncertain at this time. Last week's ruling is only temporary until the court has an opportunity to issue a final decision in the underlying lawsuit. The Obama Administration has stated that it is

considering all its legal options, which would presumably include the possibility of an appeal of last week's ruling. While the litigation is pending, it is also possible that Congress and a new Trump Administration could take action to alter or reverse the impact of the federal overtime rule.

We will update you if there are major developments in the litigation or if the federal rules are declared dead. In the meantime, agencies will want to monitor these developments closely.

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The House and the Senate are not scheduled to return to the Capitol until Monday, January 9, 2017, which is two days before the end of the 99<sup>th</sup> General Assembly and the beginning of the 100<sup>th</sup> General Assembly on January 11, 2017.

Although lawmakers are not scheduled to return again before January 9th, budget negotiations will likely continue during the next several weeks and lawmakers could be called back to the Capitol at any time.

While legislators are back in their districts, it is critical that you continue to remind lawmakers and citizens within your community that park districts and other conservation and recreation agencies provide a tremendous return on investment from the modest property tax dollars they receive and that a permanent property tax freeze would force your agency to cut these services that are highly valued by your residents.

We will continue to closely monitor all legislative developments. As always, if you have questions concerning any legislative matter please contact us at 217/523-4554.